

FBIS**DAILY REPORT
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NOTICE

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OFFICIAL DENIES SUPPORT OF ANTI-SANDINIST GROUPS

PY141724 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1620 GMT 14 Jan 82

[Text] Buenos Aires, 14 Jan (NA) -- A San Martin Palace official source has termed "totally unfounded" the news report that Argentine officers have been providing anti-Sandinist groups with money for the purchase of arms. Hernan Massini Ezcurra, who acts as the ministry's spokesman, today remarked that the report "has no value at all and is absolutely untrue."

Massini Ezcurra gave this reply upon being consulted on a news report quoting an alleged Nicaraguan counterrevolutionary who claimed to have received \$50,000 from an Argentine army colonel to buy arms in Miami. The statement by the alleged counterrevolutionary was quoted yesterday by the Nicaraguan interior minister, Tomas Borge, upon stating that his country had decided to expel officials from the Venezuelan Embassy, among them the military attache, and one official from El Salvador for supporting anti-Sandinist groups.

Foreign Ministry Denial

PY150201 Paris AFP in Spanish 0020 GMT 15 Jan 82

[Text] Buenos Aires, 14 Jan (AFP) -- The Argentine Foreign Ministry rejected, for the second time today, the report of involvement of Argentine high-ranking officers in a conspiracy directed against the Nicaraguan Government.

The first denial was released after details of this conspiracy were revealed by Nicaraguan Interior Minister Tomas Borge; revelations which Buenos Aires termed sheer fantasy.

After the same charges were reiterated by Nicaraguan Foreign Minister Miguel d'Escoto in San Jose, Costa Rica, Argentine Foreign Ministry spokesman Hernan Massini Ezcurra told AFP: "We do not take these statements into account. If the Nicaraguans want to tell us something, the proper thing to do is relay it through Nicaragua's official representatives."

Meanwhile, the Argentine Armed Forces refused to make any statements. The two high-ranking officers mentioned by the national [presumably Nicaraguan] Government are said to be members of the army named General Bali and Col Mario Davico. Allegedly these officers gave \$50,000 to William Baltodano, now arrested in Nicaragua for conspiring against the regime.

Late this afternoon, Argentine President Leopoldo Galtieri met with Foreign Minister Nicanor Costa Mendez to discuss this situation and it is possible that an official communique will be released.

Foreign Minister's Comment

PY150241 Buenos Aires TELAM in Spanish 0130 GMT 15 Jan 82

[Text] Buenos Aires, 14 Jan (TELAM) -- The Argentine foreign minister tonight reported that in the course of the day he met with Paraguayan Senator Carlos Saldivar who expressed interest on the steps being taken to further the construction of the Yacyreta hydroelectric dam. The minister added that Senator Saldivar conveyed to him Paraguay's desire to see the project come true. In this regard the foreign minister told Saldivar that a meeting was scheduled with the president of the nation in the afternoon to discuss this very issue.

The Argentine minister, who held a brief talk with the journalists when he returned from Government House where he discussed the Yacyreta issue, said that during this informative meeting, various possible solutions for implementing this project were studied.

He said: "This morning I worked hard on the Beagle affair". Regarding the rumors about a possible change of Argentine representatives to the Vatican mediation process over the conflict with Chile, the minister said that for the time being they are just rumors. He concluded by saying that Argentina is prepared to cooperate without reticence with the Vatican to find a just and honorable solution to the problem.

As to the reports from Managua about the participation of Argentine military officers -- as well as those of other countries -- in an anti-Sandinist sabotage campaign, the minister categorically stated: "I believe that the diplomatic intrigue which is being unleashed there is an absurdity and I have no doubts that it will be immediately dispelled."

In conclusion, he reiterated the announcement of the presidency concerning the appointments of ambassadors: Eduardo Roca has been appointed to the United Nations and Roca's predecessor, Juan Carlos Beltramino, will go to a country which the foreign minister did not mention. The minister also praised Eugenio Aramburu who will represent Argentina before the UN Commission for Racial Discrimination until 1984.

CNEA CHAIRMAN DISCUSSES NUCLEAR CAPABILITIES

PY121621 Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Jan 82 p 9

[Undated interview of Argentine National Atomic Energy Commission (CNEA) Chairman Carlos Castro Madero by JORNAL DO BRASIL correspondent Rosental Calmon Alves in Buenos Aires]

[Text] Both Brazil and Argentina have reached a high level of technical development in the nuclear energy sector so that they could manufacture an atomic bomb without difficulty. They only need some new installations and a few more studies which would only take 3 years. This was revealed by the chairman of the Argentine National Atomic Energy Commission, Vice Adm Carlos Casto Madero, in an interview granted to JORNAL DO BRASIL.

The other Latin American countries that have not reached as advanced a degree of development in the field of nuclear energy as Brazil and Argentina would need 15 years or more to manufacture atomic weapons. However, Vice Adm Castro Madero does not believe that the possibility of nuclear weapons proliferation exists in Latin America "because fortunately there are no geopolitical conditions pressing on a country on the continent to cause it to make the investments necessary for the manufacture of an atomic bomb."

The CNEA chairman said: "We have the degree of scientific and technical development which would enable Argentina to manufacture an atomic bomb. There would not be much trouble to make it. But I am speaking of the scientific and technical aspects. An atomic bomb would not be out of reach for Argentina because it has the technical level and the installations -- plus those that are already planned for. But other installations along with studies and development work which Argentina has not undertaken would still be needed."

[Question] Could not the bomb be manufactured immediately then?

[Answer] Well, the bomb can be manufactured with uranium 235 or plutonium 239. We do not have uranium 235 because we do not have a uranium enriching facility to produce it, nor are we thinking of the recovery of plutonium 239.

[Correspondent's explanation] However, Argentina is building a pilot plant--to be inaugurated in August--for recovering plutonium from the fuel elements (uranium pellets) irradiated (burned) in its nuclear plants. The burned fuel is in tanks adjacent to the Atucha nuclear plant, which is the first one in Latin America and has been functioning since 1974. One tank has already been filled there and another tank has been built next to it.

In that pilot plant the Argentines will continue studies which have been carried out for years to recover plutonium from the burned fuel elements, but Vice Adm Castro Madero explained that such plutonium is not the same as that used for the manufacture of atomic bombs. The plutonium thus to be produced--and Argentina intends to export it in the future--serves as fuel in breeder type or conventional nuclear reactors. In the case of the plants which will be operating in Argentina, the use of plutonium permits a 50 percent reduction in the amount of uranium to be burned in generating energy.

[Question] Don't you believe that to the extent that more nuclear plants go into operation in Latin America and more plutonium is internationally traded, the chances for the proliferation of nuclear weapons on the continent will be greater?

[Answer] No, I do not believe so because proliferation must have a stimulus behind it, a need to have an atomic bomb. Fortunately, on our continent there are no geopolitical conditions to force a country into making significant expenditures of scarce resources on a type of development that offers little to a country. It would confer some prestige upon he who owns the atomic bomb, but that prestige would be short-lived because such a development in Latin America would set off a race among all other countries to catch up.

It can be seen that the possession of an atomic bomb implies unnecessary outlays. It would confer some prestige for a short time while the other countries set about getting one also. All that would have been accomplished is to overburden the Latin American budgets without any real benefit, because not even the possibility of using the bomb is foreseeable. I do not see how a Latin American country could ever use such a lethal weapon against fraternal countries when the real common interest is to march together toward the integration of our countries.

[Question] But, Admiral, there are many pending international conflicts in our continent.

[Answer] But these conflicts can be solved by peaceful means. Practically all of them can be solved.

[Question] Could a country with some degree of nuclear development like Argentina or Brazil manufacture an atomic bomb in a short time?

[Answer] I believe tht both Brazil and Argentina can make an atomic bomb in a short time, say 3 or 5 years.

[Correspondent explanation] The fear that Brazil and Argentina could be developing an atomic bomb came to the fore in the middle of the past decade, especially after 18 May 1974 when the entire world was surprised by the explosion set off by India. Immediately thereafter, attention was focussed on Brazil and Argentina which, to the eyes of some developed countries, seem to be in the best position to repeat the Indian feat. In his book "Argentina, Brazil and the Atomic Bomb," Gen Juan Guglielmelli, a geopolitical expert, recalled a phrase in an article by engineer Eve Monteiro de Castro in the magazine A DEFENSA NACIONAL (Issue 653, January-February 1974): Itaipu would be impossible, a Brazilian publisher declared, if one of our neighbors possessed 20 kilograms of plutonium.

The tension between Brazil and Argentina had at the time reached a worrisome level due to the construction of Itaipu against the opposition of the Argentines who had advanced much more than their neighbor to the north [Brazil] in the field of nuclear energy.

But on 25 June 1975, Brazil and the FRG signed an ambitious nuclear agreement and so Brazil and Argentina were in a position of complete independence from the United States in the field of nuclear energy.

At that time, then, the question of the atomic bomb gained momentum and speculations that Brazil and Argentina were secretly preparing to explode their first atomic device in a very short time became more intense and more widely believed. Finally the solution of the litigation over Itaipu on 18 October 1979 opened the road for the suggestion made by General Guglielmelli at the time of the polemics over the bomb; cooperation between Brazil and Argentina in the nuclear field. This cooperation materialized through an agreement signed in May 1980 during President Joao Figueiredo's visit to Buenos Aires. [as published]

Significant cooperation with important practical results have been going on for 2 years now between NUCLEBRAS and the Argentine CNEA. Its political consequences are not negligible either, because the developed countries no longer can brandish the argument that the differences between Argentina and Brazil were causing the risk of an arms race between them; furthermore the two countries have strengthened their positions in international organizations.

Now, however, the fear is that an arms race could be set off by the Argentine-Chilean conflict over the Beagle Channel. The Chileans are discreetly advancing a nuclear program, although quite a bit smaller than the Argentine program. There is no solution in sight to this conflict. Admiral Castro Madero told JORNAL DO BRAZIL that no Latin American country would use "such a lethal weapon against a fraternal country" and that possession of the bomb would give only temporary prestige. Undoubtedly, just saying that one could have the bomb also gives prestige.

In his book, General Guglielmelli observed: "For some, manufacturing the atomic bomb is a question of prestige. We believe that there is equal prestige in the international recognition of the scientific and technical capacity to manufacture it and in the fact that one's own development in this field opens broad possibilities for peaceful applications."

Neither Brazil nor Argentina have signed the nuclear nonproliferation treaty although they did sign the 1967 Tlatelolco treaty restricting use of nuclear energy in Latin America. However, since Argentina signed the treaty but did not ratify it, it does not consider itself bound by the treaty. In turn, Brazil asserts that it does not have to abide by the treaty because one of its clauses stipulates that it will only be in force whenever the treaty has been ratified by all its signatories.

GOVERNMENT RECOGNIZES ANTIGUA AND BARBUDA

PY121850 Buenos Aires TELAM in Spanish 2325 GMT 8 Jan 82

[Text] Buenos Aires, 8 Jan (TELAM) -- The National Executive Branch, through decree No. 36, recognized today Antigua and Barbuda, as an independent state which proclaimed its independence on 1 November 1981.

The document says that the Republic of Argentina upholds the principle of universal relations with the international community, into which the new nation is entering.

In conclusion, it declares that Antigua and Barbuda has international representativity and so can be considered as an independent state with the full capacity to act in the international community.

PRESIDENT, COMMANDERS REPRIMAND PADILLA

PY131744 Buenos Aires LATIN in Spanish 0300 GMT 13 Jan 82

[Excerpts] La Paz, 12 Jan [LATIN-REUTER] -- Gen Celso Torrelio Villa, president of Bolivia and commander in chief of the armed forces, and the military high command tonight strongly reprimanded former President David Padilla Arancibia for having made a public statement.

The former president, who turned the government over to civilians on 8 August 1979, last week held a press conference in the city of Santa Cruz, located 400 km southeast of La Paz. At that time, General Padilla criticized the military high command, the general order of assignments and especially the composition of the army high command. Specifically, he mentioned that Gen Guido Vildoso was appointed army chief of staff in violation of existing military regulations.

Reprimand Letter

PY131750 La Paz Radio Illimani Network in Spanish 1100 GMT 13 Jan 82

[Text] Pursuant to provisions of the Armed Forces' Personnel Administration Law, the Bolivian Armed Forces headquarters has sent a letter to former President Gen (ret) David Padilla Arancibia strongly reprimanding him for a statement he made in the city of Santa Cruz. The letter -- which is signed by Generals Angel Mariscal Gomez and Natalio Morales Mosquera and by Vice Adm Oscar Pammo Rodriguez -- was cleared with President Celso Torrelio Villa.

The letter states: For having breached the rules which expressly forbid officers to make a public statement on subjects related to the Armed Forces security and internal regulations, as provided for in Articles 69, 134 and 135 of the Armed Forces Personnel Administration Law -- which are in accordance with the provisions of the regulations governing the breach of disciplinary measures and its punishment -- the military high command, exercising its prerogatives and to safeguard the integrity, respect, discipline and military honor of the forces, strongly reprimands you for this action, which is not consistent with the behavior of a general and warns you that a repetition of such action will be subject to the penalties provided for in Articles 70 and 57 of the Armed Forces Personnel Administration Law and related military regulations.

COCHABAMBA WORKERS TO RESIST ECONOMIC PACKAGE

PY131513 Paris AFP in Spanish 2233 GMT 12 Jan 82

[Text] La Paz, 12 Jan (AFP) -- Factory workers of Cochabamba, which is located in the central part of Bolivia, announced here today that they will not accept the package of economic measures the military government of Gen Celso Torrelio Villa has been preparing without their participation. In a communique signed by Lucio Lopez, Jose Zambrana and Walter Meruvia, the outlawed Departmental Federation of Factory Workers warns that the economic crisis the country has been experiencing is the result of shady deals that have been made at the governmental level over the past 15 years.

The document adds: The mammoth debt and squandering, the fraudulent management of state-owned enterprises, unnecessary purchases made only to obtain juicy commissions and other illegal practices by government officials, such as large-scale smuggling and drug trafficking, should also be mentioned. Hanging over Bolivia is the threat of reliving those moments that preceded the devaluations and economic adjustments enforced by the administrations of General Banzer and Lidia Gueiler, "when the workers, without being responsible for the crisis, had to shoulder its consequences," the document says. Finally, it calls upon the workers to mobilize to resist those measures to be adopted by the Torrelio administration, which it regards as a continuation of the administration of Gen Luis Garcia Meza Tejada.

USSR DEPUTY MINING MINISTER GLUSHKOV ARRIVES

PY141925 La Paz Radio Illimani Network in Spanish 1100 GMT 14 Jan 82

[Excerpt] Mining Industry sources have confirmed the arrival of I. Glushkov, USSR deputy minister of nonferrous metallurgy. According to the announcement, he arrived at 0615 at the head of a government delegation made up of four technicians and a translator.

This delegation will join the other-high-level Soviet delegation which arrived last weekend. Meetings with Bolivian mining officials regarding the failures at the La Palca tin volatilization plant will continue.

MILITARY CONTROL OF KEY MINERALS FAVORED

PY131723 La Paz Radio Illimani Network in Spanish 1100 GMT 13 Jan 82

[Text] At a meeting held in Tarija, Defense Minister Armando Reyes Villa has declared that Bolivian Armed Forces should take control of the country's strategic mineral resources.

In reply to a question, Reyes Villa said that the subject is being studied by the Armed Forces National Development Corporation. He expressed, however, his belief that strategic resources such as lithium and uranium will be eventually controlled by the armed forces and that the appropriate measures will be taken.

PROBE OF ILLEGAL GOLD EXPLOITATION ANNOUNCED

PY141525 La Paz Radio Illimani Network in Spanish 1100 GMT 14 Jan 82

[Excerpts] Presidential spokesman Jaime Humerez Seleme has reported that the Bolivian Foreign Ministry and Air Force will send a committee to the Cachuela Esperanza area where Brazilian citizens have been reported to be clandestinely exploiting gold deposits.

Press reports from the eastern part of the country in recent weeks referred to the above illegal activity and yesterday, Wednesday, Foreign Minister Gonzalo Romero gave a briefing on the subject at the Cabinet meeting.

Romero announced that the investigation will be entrusted to a committee consisting of Gen Oscar Wilde Fernandez, director of border-related issues, and of representatives of the Bolivian Mining Corporation.

Humerez Seleme said that this case could be seriously affecting the country's natural resources and could also be a form of penetration into the country.

ITAMARATY DENIES MOVE TO RESTORE TRADE WITH CUBA

PY132342 Rio de Janeiro O GLOBO in Portuguese 12 Jan 82 p 15

[Excerpts] Businessman Ruy Barreto, president of the Brazilian Confederation of Commercial Associations, is in Havana contacting local officials in an attempt to resume the commercial exchange between Brazil and Cuba. This exchange has been interrupted since 1964. Ruy Barreto and other exporters are reportedly trying to gain support from Itamaraty to send a mission of Brazilian businessmen to Havana.

Businessmen believe that Cuba can be a good market for Brazil, since Cuba has lately accumulated a surplus in its balance of trade and therefore has hard currency available to pay for exports. Cuba's main commercial partner in South America is Argentina, which sells products at higher prices than those of Brazilian products. This is the case, for instance, of Argentine vehicles which cost twice as much as Brazilian cars. Cubans are also reportedly interested in buying Brazilian shoes and textile products.

Businessman Ruy Barreto, a coffee-exporting magnate (he owns the Cafe Soluvel Brasilia), is trying to repeat in Cuba an experience successfully carried out by industrialist Horacio Coimbra, of Cacique de Cafe Soluvel, who years ago traveled to Beijing and thus opened the way to the first Brazilian exporters' mission to the PRC since 1949. At that time, Coimbra received Itamaraty's approval to make, by himself, contact with the PRC commercial officials and he was invited to organize a mission of exporters. Some time later, Brazil resumed diplomatic relations with the PRC and has regularly sent commercial missions to that country ever since.

Ruy Barreto and his family were on vacation in the United States. The businessman was planning to travel to Havana via Mexico City, in the company of Amaury Temporal, vice president of Rio de Janeiro's commercial association. Although this information has been disclosed only to a small number of businessmen, the result of the mission has raised considerable expectations among the leaders of the Brazilian Exporters Association (AEB).

In Brasilia, a spokesman for Itamaraty said yesterday that the Brazilian Foreign Ministry is unaware of the existence of any initiative aimed at an understanding leading to the resumption of commercial relations with Cuba. The clarification came after the report of the businessmen's delegation, headed by Ruy Barreto, going to Havana to try to resume trade between the two countries. The spokesman said that some Brazilians have visited Cuba, but none of them has been granted approval for making contacts leading to the resumption of commercial relations.

Government Statement

PY132349 Brasilia Domestic Service in Spanish 2200 GMT 13 Jan 82

[Text] Presidential Press and Information Secretary Carlos Atila today issued a statement on the trip to Cuba of the chairman of the Brazilian Confederation of Commercial Associations, Ruy Barreto.

[Begin Atila recording] First, Mr Ruy Barreto did not ask [words indistinct] position of the Brazilian Government regarding his [word indistinct] trip to Cuba. Second, the president of the nation became aware of Mr Barreto's intentions of traveling to that country informally and through third parties.

Third, the Brazilian Government neither endorses nor encourages this kind of project. And the trip of a Brazilian citizen to Cuba or any other place with which Brazil has no diplomatic relations is made on a strictly personal basis and at the expense and risk of the interested party alone. And fourth, in the specific case of (the country in question) it should be noted that the government's position toward Cuba remains unchanged. Diplomatic relations are still suspended and the prohibition against exporting Brazilian products to Cuba is still in effect. [end recording]

Reactions to Barreto's Trip

PY141614 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 14 Jan 82

[Text] A note released by the Presidential Press and Information Secretariat states: The Brazilian Government neither endorses nor encourages this kind of project and the trip of a Brazilian citizen to Cuba or any other place with which Brazil has no diplomatic relations is made on a strictly personal basis and at the expense and risk of the interested party alone.

The note -- which refers to a trip made to Cuba by a delegation of the Brazilian Confederation of Commercial Associations led by its president, Ruy Barreto -- was released at the end of a meeting held by President Figueiredo with civilian household chief Leitaô de Abreu.

It has been noted that Brazil severed its diplomatic relations with Cuba in 1964 upon the ouster of the Goulart government. In 1975, Brazil adhered to the Punta del Este treaty which imposed a trade embargo on Cuba based on a U.S. proposal approved by the OAS member-countries.

Under these circumstances, any trade operation with Cuba will have to be channeled through a third country, for instance Mexico. Finance Ministry Secretary General Carlos Viacava believes that any business initiative can only be viewed as an effort to promote exports. Without referring to diplomatic negotiations, Viacava said: In my small world of exports, I view very favorably every move aimed at doing business.

Foreign Trade Department Director Benedito Moreira chose to look at the trade prospects with Cuba separately from the ideological issue. He expressed, however, his concern over one thing: Cuba's current economic problems and difficulties to make payments. He said: Although we are not allowed to do business with Cuba now, I believe that if we are going to sell and Cuba is going to pay, then it should be all right.

In Havana, Ruy Barreto was received by Cuban Prime Minister Fidel Castro in what is the first contact since Brazil and Cuba broke off their diplomatic relations 18 years ago. The Brazilian delegation, which is being hosted by the Cuban Chamber of Commerce, was also received by the minister of foreign trade, the minister president of the Bank of Cuba and by a vice president of the State Committee for Material and Technical Supply.

Cuba Interested in Trade

FL150003 Bridgetown CANA in English 2323 GMT 14 Jan 82

[By Lionel Martin]

[Text] Havana, 14 Jan (CANA-REUTER) -- Cuba is interested in doing business with Brazil, although there are no commercial or diplomatic relations between the two nations, the leader of a Brazilian business delegation visiting Cuba said today.

The top level delegation under Ruy Barreto met Cuban President Fidel Castro yesterday. Mr Barreto told REUTERS he was impressed "by the president's ample knowledge of world and commercial affairs" but he did not give details of the talks.

Mr Barreto is president of the Confederation of Commercial Associations of Brazil, made up of 827 Brazilian Chambers of Commerce and, according to Mr Barreto, representing more than a million businessmen.

He said this was the first time an institution of Brazilian businessmen had visited Cuba in the last 18 years. "It is a private visit," he said, "and has absolutely no links with the Brazilian Government."

He added that inasmuch as Brazil did not have diplomatic relations with Cuba, "It is not now possible that we sign contracts or initiate trade with Cuba."

"This is an exploratory trip," he said, "to inform ourselves of the possibilities of trade with Cuba."

The delegation will report back to both the Brazilian businessmen and the government, Mr Barreto said but was evasive when asked if there was a likelihood that commerce between the two nations would begin soon.

He said the Cuban Government had indicated to the delegation its interest in doing business with Brazil.

Since its arrival the Brazilian delegation has met with Cuban trade and banking officials, including Minister of Foreign Trade Ricardo Cabrizas.

Mr Barreto said Brazil was in a good position to compete with nations now trading with Cuba. The delegation had told the Cubans about the broad range of products Brazil could offer, he added.

Today the delegation is meeting with high officials of the Cuban sugar and transport industries as well as with Vice President and Deputy Prime Minister Dr Carlos Rafael Rodriguez.

CONGRESS APPROVES INELIGIBILITY BILL AMENDMENT

PY150120 Brasilia Domestic Service in Portuguese 2200 GMT 14 Jan 82

[From the "Congressional Report"]-

[Excerpt] At the end of the longest and most heated session in its history, early this morning the Senate approved the Murilo Barado amendment on the ineligibility bill submitted by the Executive Branch.

The bill was approved after a 20-hour debate, interrupted only once for 1 hour (?to withdraw) changes to the amendments proposed by the opposition.

The session began yesterday at 1000 and closed today at 0630.

GOVERNMENT CREATES ANTARCTIC AFFAIRS COMMISSION

PY131324 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 13 Jan 82

[Text] President Joao Figueiredo today signed two decrees which are deemed of great importance as legal instruments for the implementation of a Brazilian scientific expedition to Antarctica. The National Commission for Antarctic Affairs is to be composed of representatives of the Navy Ministry, Army Ministry, and Planning Ministry, in addition to representatives of National Security Council, Armed Forces Joint Staff, and National Scientific and Technological Development Council.

U.S. CONGRESSMEN MEET GOVERNMENT OFFICIALS

PY141654 Santiago Chile Diplomatic Information Service in Spanish 2306 GMT 12 Jan 82

[Excerpt] A U.S. congressional delegation, members of the House of Representatives Armed Services Committee, have held several meetings with high-ranking members of the Defense Ministry and the Ministry of Foreign Relations. The meetings began in the Diego Portales building yesterday when the U.S. delegation met with Defense Minister Lt Gen Carlos Forestier.

The U.S. delegation, headed by Melvin Price and accompanied by members of the U.S. Embassy in Santiago, held a long meeting with Minister Forestier, who at the conclusion of the meeting told the press that the purpose of the U.S. congressmen's visit is to get familiar with the real national situation, both in its economic and defensive aspects. He added that general matters for rapprochement and better understanding were discussed.

The visitors then went to Hall No 8 for a work session. The main speaker was Vice Adm Ronald McIntyre with the presence of the national defense high command. At the conclusion of the meeting, Admiral McIntire said that aspects related to hemispheric defense and the Kennedy Amendment were discussed. He said that the U.S. congressmen were very much interested in knowing what our needs are. They understand our problems well, they absolutely agree with the lifting of the Kennedy Amendment, and even when Kennedy proposed it they disagreed by opposing it.

In conclusion, he said that the U.S. delegation was very much interested in knowing the different aspects of the real national situation, because they dealt with a number of areas of interest which were closed to them for years because they could not visit Chile.

After the meeting with the national defense high command, the congressmen met with acting Foreign Minister Lt Gen Sergio Covarrubias, who welcomed them on behalf of the government and the Foreign Ministry, at the same time conveying to them greetings from President Augusto Pinochet Ugarte. The acting foreign minister said that basically the matters discussed were how to improve bilateral relations, the principal objective of the visitors. He said that the overall aspects of world, hemispheric, regional and, obviously, bilateral policies were discussed and reviewed.

At the conclusion of the meeting with the acting minister, the U.S. congressmen held an important work session with high-ranking officials of the Foreign Ministry. At the conclusion of this work session, the acting under secretary, Ambassador Fernando Zegers, told reporters that the discussions included matters of mutual interest, the American continent, hemispheric defense, the importance of the abolition of the Kennedy Amendment, the problems of the American continent and its areas of tension, the cooperation between Chile and the United States and the renewed U.S. interest in Latin America which was welcome.

Ambassador Zegers summarized his opinion by saying that the meeting was frank, open, constructive and friendly showing the interest of the two countries in these meetings. Regarding the U.S. congressmen's disposition toward our country, Zegers said that they have an attitude of openness, understanding and interest.

The seven U.S. congressmen, who are touring several countries of the area, left for Lima today with the hope that the Beagle mediation will come to a happy end since they trust that the Pope's participation is very positive.

SUPREME COURT DECISION REOPENS LETELIER CASE

PY150303 AFP in Spanish 0240 GMT 15 Jan 82

[Text] Santiago, 14 Jan (APF) -- The Chilean Supreme Court today unanimously ruled that the innocence of those charged with murder of former Chilean Foreign Minister Orlando Letelier is not sufficiently clear and amended the ruling of the military court which had acquitted the three army officers. The case involves the forging of passports and I.D. cards and the homicide of the former minister and his U.S. secretary, Ronnie Moffit, which took place in Washington on 21 September 1976.

On 15 December 1981, the Santiago Military Court acquitted Gen Manuel Contreras, former director of DINA [National Intelligence Department], and his helpers, Col Pedro Espinoza and Capt Armando Fernandez Larios. The three Chilean military officers were charged by a U.S. Grand Jury with being involved in the assassination of a former Chilean foreign minister during the administration of the late Chilean President Salvador Allende (1970-1973) and had requested their extradition. But the Chilean court rejected the extradition request.

A week ago the defense for Orlando Letelier submitted a protest to the Supreme Court and requested the reopening of the process, charging that there were still pending procedures. The defense of General Contreras, handled by lawyer Sergio Miranda Carrington, asked that the appeal be rejected on grounds that the case was already closed.

However, in his appeal, Andres Aylwin -- the lawyer of the Letelier del Solar family -- said that the new interrogation of the chief of the defunct DINA was not carried out. He added that statements by Gen Vernon Walters and by Michael Townley should be heard. Townley, who confessed that he had placed the bomb which blew up Letelier's car, is serving a 10-year sentence in the United States.

In submitting the appeal before the highest Chilean court, Aylwin asserted that the acquittal of the military officers was an arbitrary decision, taking their innocence for granted although there are hundreds of signs and much suspicion of their guilt. In the decision passed down today by the highest Chilean court, it is pointed out that in the data gathered regarding the case and the extradition process, the innocence of the accused is not clearly established as is called for by the penal code. Therefore, the case cannot be definitely acquitted.

In this way, the Supreme Court has confirmed a resolution passed down on 30 September 1980 by a Santiago military judge in which the accused were only acquitted temporarily.

HURTADO PRESS INTERVIEW ON SOCIAL PEACE, ECONOMY

PALL1733 Quito Domestic Service in Spanish 0130 GMT 11 Jan 82

[Dialogue held by Ecuadorean President Oswaldo Hurtado Larrea with newsmen (Santiago Jervis), (Alfredo Pino Rose), (Nila Velasquez), and (Jorge Vidanco) at Ecuavisa Channel 2 studios in Guayaquil -- live]

[Excerpts] [Question] Mr President, before asking my question, I would like to bring up two matters. First, what is the real importance of Guayaquil, which is hosting your first dialogue? At this point, I think that it is very important to state something that is very unpleasant to those of us living in Guayaquil: That we are called the port. This word has social and moral significance, because a port can be a place of hoodlums, thieves and prostitutes. Guayaquil is the melting pot of our country. What happens here affects the entire country; we have all kinds of people.

I want to say that this type of dialogue is fundamental; a basic human right is that of freedom of expression. Man cannot exist without this right. Therefore, a democratic regime does not imply [words indistinct] it must just note those aspects in which democracy can be improved. This is very important. Sometimes people are misled and think that democracy is failing, that a generation has failed. This is not true.

I want to ask you about your attitude as the head of state who represents all sectors, in your role as the armed forces commander in chief and as the head of government, for example. What measures will you take to preserve social peace? You noted not long ago that social peace is one of the fundamental national objectives. There are three things affecting social peace. I will use the example of Guayaquil, not as an exception but as a reflection of the country as a whole, first of all, I will mention politics, relations among the parties and deputies. We see that something occurs here that affects social peace. The province is turned over to a group of people. This was done during the period in our history of the local bosses. We must establish political responsibilities and cooperation. Another thing is to go beyond these things. There is an evident deterioration in the Guayaquil administration. This affects social peace because people abuse this political cooperation and act as pirates serving their own personal interests. Secondly, there is common crime, which I believe is the result of what is occurring in the public administration and the administration of justice.

There is also the aspect of international terrorism. Ecuador is not an island, either economically or politically. International terrorism is attacking the democracies, the Western world, the open societies like ours. Events occurred a few months ago in Quito that were described by a minister as actions by urban guerrillas. In Babahoyo there were attitudes that reflect preparations for what could be an international terrorist plan. A number of events have occurred that are really a cause for concern, since this country could fall within this international network of terrorism. I think there are certain things we can't live without. We need to have social peace.

[Answer] The values of a society are generally appreciated when they are lost. This is occurring in Ecuador with regard to social peace, public peace and order. Having grown used to living in a society without violence, we realize, now that violence is arriving, that peace was an asset that wasn't recognized in our society. This is a consequence of past actions. For many years we have carried out [word indistinct] actions that I think have led us to the situation we are currently experiencing. I think you have mentioned some of them. I would mention others.

For example, we have frequently denigrated and undervalued the national police. We [word indistinct], criticize and blame the police for things that go beyond their responsibilities in handling public order. Secondly, we have given very little attention to the penal laws and the administration of justice. Some days ago, when I was talking with the president of the Supreme Court of Justice, I told him that the government would be very willing to cooperate with the judicial branch toward substantial reforms, particularly concerning the penal process, so that justice will be prompt and not late, so that sanctions will be established against judges who are dismissed. For example, a judge who is dismissed in Guayaquil or any other city would be prohibited from working as a lawyer. However, the penalty of dismissal is not enough for a corrupt judge who has been able to solve his financial problems for the rest of his life. I think this is a second factor that one must bear in mind. This is in regard to the problem of violence and crime that is currently affecting the city of Guayaquil and that could very well affect the entire country in the future. Regarding the political problem that you raised I think that in these past months of government, I have given an example by not being partisan. I am not indebted to my party and fortunately my party [words indistinct] left me free to exercise my authority as president. I do not owe [words indistinct] exclusively to people's democracy. Neither am I indebted to any other political group that forms part of the government. It is true that I have to depend on my party and the other two which constitute the political base of the regime. However, this doesn't mean that I am going to be blind to mistakes that might be committed by aides who might be members of those parties. There are events in the past months which confirm my statement tonight.

Regarding Guayaquil, some changes have occurred. I recently appointed a distinguished citizen of Guayaquil who doesn't belong to any political party as president of the port authority. It is one of the few appointments that have been made in recent months in Guayaquil. I appointed an expert in port administration manager of the port authority. He doesn't belong to any political party either. Therefore, it cannot be said that one group of friends is being replaced by another. This has not been true in this province and this city since 24 May 1981.

I think one of the achievements of these past 7 months has been the reestablishment of the value of some public institutions whose prestige had deteriorated by the lack of [word indistinct] and honesty by some officials who betrayed President Roldos.

I say betrayed because those officials didn't respond to the principles that inspired President Roldos. I can give you an example which you mentioned: IETEL [Ecuadorean Telecommunications Institute]. IETEL is in a frank process of recovery as a result of the programs carried out by the general manager. That process will reach the city of Guayaquil. It is slow because it is easy to destroy an institution but very difficult to repair it. Another example is the Ecuadorean Social Security [words indistinct]. It is an institution which is not only absolutely honorable at this time but very efficient. I wish all the public institutions were as efficient. I could give you several other examples. This process is going to take time. (?When I became president) the public administration had already been completely appointed. It was made up of supporters of the government. I did not have the opportunity of an elected president who can organize the public administration in accordance with his views since he doesn't have to answer to the previous administration. I wanted to make these points in to reply to your question.

Now I will turn to the question on how to confront the problem of violence. What has the country requested in the past 2 years of democracy? Roads, drinking water, sewers, schools. I don't remember that the country has asked for police protection, peace and security.

Since we had security and peace we thought that police protection was not necessary. Therefore, we have notably increased the education and health budgets and have kept the same government ministry budget because no one is calling for its increase. No one is striking to increase that budget. Now the community realizes that being able to walk down the streets without the danger of being killed or mugged is more important than schools, roads, drinking water and sewers. Aware of this, the government is focusing all its actions, including in Guayaquil, on restoring public order by strengthening the police and through the intervention of the armed forces. I think this has already given results in view that in the past (?2) weeks there has been a reduction -- I don't say elimination -- of violence and it is safer in the city of Guayaquil.

[Question] Mr President, in any event, it appears as though we have resigned ourselves to growing much more slowly in 1982, since a week ago, the president of the economic fund, minister of finance and manager of the Central Bank announced that we had grown at a rate of 4.5 or 4.6 percent in 1981. But aside from this, since economic issues are so closely linked to political matters, allow me to ask you to comment on two specific issues: The petroleum sector, the key sector, the one that contributes, that constitutes 60 percent of the total value of exports, can reach a critical situation. New investments are needed to increase the proven petroleum reserves. An amendment to the law on hydrocarbons is now being discussed in the Chamber of Representatives. Apparently, according to some newspaper articles, there is a consensus regarding the need for foreign capital to come here, that it [words indistinct] that taboo, especially for certain sectors, apparently has disappeared. As long as the government and the foreign company establish that foreign investment is mutually advantageous, it would be enough for them to agree on the manner of investment. In any case, there is the danger that this planned amendment will not pass the permanent legislative committee and the respective plenum and, even worse, the sessions of the ordinary congress in August. In this event, which we all hope will not occur, I suppose the government will not remain impassive and that it is drafting some strategy to overcome this stumbling block, in case this bill on amendments to the law on hydrocarbons is not approved. In case it is not approved, I would like to know what precautions the government is taking.

[Answer] There has been generalized criticism of the amount of the state budget. The government has been told that the state government's budget should have been less, not around 64 billion sucres, but rather 60 billion, 50 billion or even 30 billion, according to some. The government's decision is that the state budget should only grow at a rate equivalent to that of inflation, which in economic terms means maintaining it, in real prices, at the level of the 1980 budget. Consequently, this signifies a lower rate of economic growth. If we had drafted a state budget of 70 billion, we would have an economic growth rate of 5 or 6 percent. But this appears to us to be inconvenient, because it would have meant greater external debts. Therefore, we want the growth of the economy to be sustained in a more solid way, and next year it is going to depend on what will happen with the agricultural sector. What will happen in the electrical sector, which has grown at a rate of 12 percent; and a recovery we had this year in petroleum production, which should grow again in 1982.

With regard to the problem of petroleum, I believe there are two issues that can make the economic situation more favorable in 1982; obtaining some positive results in the Gulf of Guayaquil with the drilling begun by the Ecuadorean State Petroleum Corporation [CEPE], and issuing of reforms to the hydrocarbons law. The first issue is absolutely aleatory. Petroleum is only discovered at the time drilling is completed. Meanwhile, I would not like to speculate.

Regarding the reforms to the hydrocarbons law, this is less aleatory. I believe it will be issued by the legislative committees and approved by the executive. We support this reform, which enables us to allow the import capital funds [Capital de Riesgo] to replace the scant spending ability -- and CEPE's low operation ability -- which the public sector has at this time. Even though CEPE is an institution that has been recovering over these past few months, it still cannot even spend its own budget, despite the efforts of the new general manager.

What can be done if the reforms are not approved? That is -- and I would say something more -- not only if the reforms are not approved, but if, in addition, no petroleum is found in the gulf. If these things do not happen, we are going to conduct the economy in 1982 with difficulties equivalent to those of 1981 and there will neither be easy solutions nor short-range answers. Unfortunately, this is how economic phenomena occur. The government -- the minister of finance, the minister of petroleum, the manager of the Central Bank -- are going to be able to do very little to increase exports in just 6 months of a year if we do not discover petroleum. They are going to be able to do very little to attract capital if it is known that the investment that attracts a lot of capital is petroleum. The capital attracted by agriculture or industry is substantially less.

[Question] Mr President, what is your government's position on the Rio de Janeiro protocol?

[Answer] When the Rio de Janeiro protocol was signed, 7.2 million Ecuadoreans, which means 9 out of every 10 in the country's current population, did not even know how to reason. We therefore inherited the errors and irresponsibilities of our predecessors, for which we must pay, though we had nothing to do with the territorial problem and the way it was "solved" in 1941. The government I preside over could support one of the five or six different positions that Ecuadoreans have maintained on the Rio de Janeiro protocol. We could even suggest another. But I don't believe I should assume such a position. Why? Because, I do not wish to continue making the same mistakes. Besides, no one can assure me that the next president of the republic is going to agree with my position; he may propose yet another stand. If we continue in this manner, Ecuador is never going to have a definite position on this issue. We must establish a policy to be followed by this government and by those that will come in the future, so that we can succeed some day.

Peru has maintained one position -- that the Rio de Janeiro protocol is good and must be complied with. It has never varied this stand. That is why I am proposing that we define our objectives and that we all support them, this and the other governments to come. This is necessary, if we are to have a dialogue and reach a consensus. It does not have to be unanimous. There will always be someone who disagrees. I wish that everyone -- the majority of political parties; social, economic and religious organizations; the armed forces and everyone who is a part of the Ecuadorean community -- would agree. This decision cannot be arrived at through a plebiscite. It would be an absolutely incorrect decision. Nevertheless, the government needs to know that the people support it and that they want this problem solved in one way or another. This is the only way we can go ahead with negotiations. As you have pointed out, to continue indefinitely with the present situation would be to refuse to meet a responsibility we have to our fatherland, our future and the future of our children and grandchildren. I am opposed to waiting 50, 100 or 200 years. The historical developments of which we have been a part demonstrate that time has always been our enemy. Never in the history of our border have we taken a step forward; we always go backward.

When problems are not discussed, when there are no dialogue or negotiations, the only language left is that of arms and war. In order to win a war and use weapons effectively, we would have to double or triple our national defense spending. This would mean more misery and poverty for Ecuador. Thus, a solution to this problem would be good for our people, as well as for the Peruvian people. In this way our peoples can have more roads, schools and public works, instead of spending large portions of our very scarce resources on war.

Some of our country's economic problems are due to the unexpected expenditures we had to make in January and February 1981. We had to set other priorities aside.

When I assumed the presidency of the republic, there was talk of a new war. In May, many people in Ecuador were of the opinion that we would have another war by July. I think that one of this government's contributions, though it has been criticized for this, was the restoration of peace; a precarious peace perhaps, but peace. We no longer talk about the ghost of war, which would do so much damage to our people and to the Peruvian people, because the Ecuadorean Army, our armed forces, has made enough improvements to have some discouraging impact on our adversaries.

I am glad that you asked me this and I am pleased that each day there are more Ecuadoreans who seriously consider this situation. It is our duty to protect our society, right up to its border. However, we cannot continue being a country without borders. Where, then, will our borders be? This is an issue that concerns every Ecuadorean, particularly the 7.2 million who did not even know how to reason in 1942 and who therefore had nothing to do with our territorial tragedy.

[Question] Mr President, the newspaper today carries a report from our ambassador to Peru, who says that Peru has expressed the desire that total peace be restored and that, as evidence of its good will, the plan for the exploitation of the Tumbes binational basin should be carried forward. I don't know if it is right to consider Tumbes a binational basin, for this would mean acceptance of the situation, given the fact that Tumbes was not binational prior to the Rio de Janeiro protocol.

[Answer] This is one of the many consequences of the contradictory position maintained by our country because of the problem and its frustrations. I do not wish to give the impression that those who took part in the Rio de Janeiro protocol should be condemned. Our problem is that our economic, political and military weakness has placed us in a difficult position from which to negotiate. It is not very easy to negotiate with a victorious and powerful army, as we did in 1942 when we were defeated, and we know that the Peruvian Armed Forces are three, four or five times more powerful today than our own. This problem, this frustration in our society has led to our lack of unity on our position. There are some issues that we must discuss in demarcating the border, and for this we would have to refer to the Rio de Janeiro protocol. You are right in mentioning the Tumbes binational project, for on this we would again have to refer to the Rio de Janeiro protocol in some way. But to answer your question, that project is currently suspended. We have stated that we must first discuss the other fundamental problem with Peru. Therefore, we believe that it is necessary to reach a decision. I hope that we can submit the necessary documents to the Foreign Ministry soon, so that we can offer a more coherent position in facing this problem, which few have dared to discuss and tackle with full responsibility.

VICE PRESIDENT ROLDOS SPEAKS ON BORDER PROBLEMS

PA132150 Quito Cadena Ecuador Radio in Spanish 2300 GMT 12 Jan 82

[Text] Ecuadorean Vice President Leon Roldos Aguilera said that the border problem with Peru must be solved without giving up Ecuadorean rights. Roldos added that the late President Jaime Roldos Aguilera had proposed a dialogue for a just solution, seeking a national consensus for a national solution.

Vice President Roldos also explained that the main goal of the National Development Council, CONADE, 1982 plan is a just and final solution through peaceful means.

[Begin Roldos recording] As part of my responsibilities, I wish to comment on the bases of Ecuador's fundamental problems and the Ecuadoreans [word indistinct] on the Ecuadorean territorial problem. I believe that we must approach the problem with a (?just) solution in mind.

President Jaime Roldos Aguilera mentioned on 24 May the need for Ecuador to [words indistinct] and a dialogue for a just solution and for a national consensus that would signify national acceptance of the solution to be applied.

We have set as a priority goal in the 1982 operational plan achievement of a just and final solution through peaceful means [words indistinct].

The 40 years of history since the Rio de Janeiro Protocol have proven [word indistinct]. The protocol was imposed by force. Ecuador was (?invaded), not only in the usurped territories but in what is today part of the eastern provinces; Loja, El Oro [words indistinct].

After the 28 May 1944 revolution, the new government, in order to be recognized, was forced to accept the Rio Protocol, but Ecuadoreans have always rejected it.

The legal thesis for the annulment of the Rio Protocol was voiced by prominent people during the 1940's. In 1960, the government of Dr Velasco Ibarra accepted that thesis as government policy. It would seem that they thought that a viable solution was possible. This was not so.

The [word indistinct] stems from the truth that the Rio de Janeiro Protocol cannot be implemented in the sectors of [word indistinct], Zamora and Santiago. Even if the Rio de Janeiro Protocol were not void, it could not be implemented. However, the Rio Protocol is legally void and thus cannot be executed.

What has really occurred? Our governments have been unable to obtain international support for Ecuador's legal positions. There are procedures to guarantee the [word indistinct] success of our legal thesis. Ecuador and other countries, other peoples, have territorial problems stemming from treaties and protocols imposed by force and a solution has not been found. [End recording]

OFFICIALS GIVE VIEWS ON ECUADOR BORDER ISSUE

President's Comments

PY131440 Buenos Aires LATIN in Spanish 0157 GMT 13 Jan 82

[Excerpt] Lima, 12 Jan (LATIN-REUTER) -- President Fernando Belaunde Terry today addressed a message to Ecuador and said that Peru is a neighbor that has no aggressive designs. I hope that, finally, the Ecuadorean people feel that their neighbor, Peru, is a fraternal neighbor, he added in a conversation with journalists.

Belaunde commented on the speech given yesterday in Quito by his Ecuadorean counterpart, Oswaldo Hurtado, who referred to the borders of his country and announced a search for opinions on the border regions. What he, Hurtado, wants is to find a common denominator; he wants his country to unify itself on an attitude. I have the impression that his intention is very wise. All governments have to sound out public opinion and to find out the feelings of their peoples, he said.

The Ecuadorean president said in Quito that Ecuador cannot continue being a borderless country, and he emphasized the necessity for defining an objective on border matters.

Foreign Minister's Remarks

PY131714 Paris AFP in Spanish 2319 GMT 12 Jan 82

[Text] Lima, 12 Jan (AFP) -- In order to initiate a dialogue which would put an end to any disagreements [with Peru over borders], Ecuador must adopt a homogenous stance on the border question with Peru in relations to the Rio de Janerio Protocol, Peruvian Foreign Minister Javier Arias Stella said here today in commenting on statements by Ecuadorean President Oswaldo Hurtado.

Ecuador should clearly define its objective in border matters, Hurtado had said according to press reports, indicating that there had been errors in this respect by administrations previous to his, which had always taken regressive steps on the border policy of his country. He said that when there is neither a dialogue nor negotiations, the only thing remaining is recourse to arms, which involves more misery for the Ecuadorean people.

Foreign Minister Arias Stella said that Hurtado had said that while Peru has maintained a single position, asserting the validity of the Rio de Janerio Protocol -- signed in 1941 after a war between Peru and Ecuador -- Ecuador has taken different positions at various times. Arias Stella recalled that at one time Ecuador respected that treaty under several of its presidents and implemented more than 90 percent of it, while at other times it had declared first that the protocol was impossible to implement and then that it was null and void, going so far as to seek an honorable alternative.

Meanwhile, Peru has maintained an invariable position, respecting international norms, the foreign minister added. He said that President Hurtado criticized this diversity of policies, calling for a search within his country for a coherent position would allow it to have a single position comparable to that of Peru.

In conclusion, Arias Stella emphasized that the Ecuadorean president had acknowledged in his statement that the Rio de Janerio Protocol was signed in a solemn manner by the presidents of Peru and Ecuador, was ratified by the congresses of both countries, and thus possesses all the elements which give it validity in international law.

NICARAGUAINTERIOR MINISTER BORGE HOLDS NEWS CONFERENCE

PA131635 Managua Domestic Service in Spanish 0000 GMT 13 Jan 82

[News conference held by Nicaraguan Interior Minister Tomas Borge and Lenin Cerna, official in charge of state security in the Interior Ministry, to present "counter-revolutionary leader" William Baltodano at the Nicaraguan Interior Ministry -- live]

[Excerpts] [Borge] There is a principle that indicates that there can be no revolution without a counterrevolution. (?As it is easy to see) in the history of our process, even before 19 July and the victory of the revolution, the local reactionaries and U.S. imperialism hatched plans to subjugate our revolutionary process. The strength of the people and the firmness of the leaders of this revolution have prevented the success of all the projects to frustrate the revolution, to limit the revolution which is the same thing.

From the very first day of victory, preparations of various types were begun. This counterrevolutionary activity was initially expressed by anarchic groups known as the Milpas [anti-Somozist peoples militias] and the Social Christian Commandos. Then came the first outbreaks of counterrevolutionary groups with foreign connections. All the counterrevolutionary actions on the border zone and in our territory have so far left a toll of more than 130 people dead, including peasants, brigade members of the people's literacy army, Cuban teachers, militiamen, reservists and combatants of the Sandinist People's Army [EPS] and the Interior Ministry.

At the end of this year there was the unsuccessful attempt to hijack the "19 July" airplane and to take it to Miami. It could have been an action for propaganda purposes of these same counterrevolutionaries sectors for the object of destabilization. In the last month of the year, we learned that a group of reservists of battalion 50-09 of Tipitapa were killed and others were missing as a result of ambushes by bands that act with impunity from Honduran territory.

The existence of these bands which have established their operations and training camps along the Honduran border is a form of aggression against our people, since they carry out frequent incursions into Guasaule, Los Manos and recently into northern Zelaya and other areas on the Nicaraguan border.

We have also had some problems on the Costa Rican border. The difference is that in that country, its authorities have established vigilance to prevent those activities. Today, Commander of the Revolution Luis Carrion met with the Costa Rican deputy security minister and other Costa Rican officials. The Costa Rican authorities admitted the existence of camps in that country and the existence of weapons that were found by the Costa Rican Government.

Now then, from this same zone -- I am referring to Honduras -- the counterrevolutionary Radio 15 September and the so-called Free Nicaragua stations operate openly and with impunity. Alongside these aggressions against Nicaragua, there are meetings of militarymen of the continent in which new forms of military aggression against Nicaragua are planned at the same time that we are accused of being factors of destabilization in Central America.

These charges are complemented with the statements of Central American officers such as Gen Benedicto Lucas Garcia, brother of the Guatemalan president, who yesterday announced an increase of from 22,000 to 50,000 men in the Guatemalan Army. He also announced the installation in his country of a weapons factory with the advice of the Israeli Army. These militarymen, these guerrillas evidently linked to the Central Intelligence Agency [CIA], also speak of organizing a triple alliance of the Guatemalan, Salvadoran and Honduran Armies. They are not only doing this for the purpose of confronting the activity in their own countries, the struggle of the people which they describe as insurgency, but also for the eventful objective of attacking the Nicaraguan revolution.

Perhaps even more serious or more shameful or [word indistinct] is the fact condemned by all the U.S. people, including some sectors of the U.S. Congress. It is the fact that training camps of Somozist counterrevolutionaries to invade Nicaragua are operating in Florida. They say that in the United States it is legal to do this. That is to say, that military training can take place on private property. However, in the current world situation, this is not and cannot be legal. We wonder what would happen if, let us say, the Irish patriots began to train in the United States. What would happen with the British Government? What would happen if opponents of some other big country in the world would train in the United States? Or what would happen if the inverse occurred; if we would arrogate the right to train U.S. citizens here to carry out sabotage actions in the United States? (?I think we have said this before): If we organized groups in Nicaragua to go place bombs in the New York subway or the White House, we would be accused of being irresponsible, adventurers and even criminals. I think they would be making a just accusation. With that same reasoning, we can tell them that they are irresponsible, adventurers and criminals. These actions also violate international law and U.S. law. They know this very well.

I would like to at least briefly narrate the full context of the reactionary and counter-revolutionary activity. While all this is occurring at the international level, in the United States, while all these aggressions are occurring, while all this is planned, we have seen in the past few weeks a manipulation of the religious feelings of our people. It is a type of war front. There are several war fronts. The war front of the Chamorro brothers, Edmundo and the other one, the war front of [word indistinct], of trying to destroy the refinery and the cement plant. That is one war front. The other war front is the ideological war front. They complement each other.

We know that our people are Christians. Through reports issued by the reactionary news media, there has been an attempt to create confusion and to use the religious feelings of our people with hoaxes and lies, with religious and ideological swindles. In this way, they have sought to complement this armed activity with the ideological activity. That is why they spoke about the prophecies of Sister (Clemens) which were later disavowed by the Nicaraguan Catholic Church. Everyone is now aware of the disgusting swindle of the so-called virgin who perspired. EL NUEVO DIARIO unmasked this swindle with great journalistic skill and objectivity at the same time. The apparitions in other places will also be unmasked. No one should have any doubt about this.

We respect the beliefs of our people and the possibility that there might be apparitions or miracles. However, the Catholic Church has been extremely serious in this regard. We are sure that no serious priest in this country is going to lend himself to religious swindles of this type. I have extended myself on this because I want to say here that as of today it is completely prohibited to release information dealing with miracles and supernatural events in Nicaragua until they are duly endorsed by the Catholic Church. In no way can we continue to permit the swindle and manipulation of our people with reports of this type. We have no doubts and we are sure that these reports have the sole objective of playing into the hands of all the actions of ideological diversionism that the CIA has implemented in order to fulfill the guidelines of the famous Santa Fe document.

We cannot but describe as suspicious the repeated statements of some leaders of the so-called traditional parties -- they call them dissident parties -- when they minimize the criminal activities of the counterrevolutionary gangs. They have gone so far as to call this an armed opposition. At the same time, they express opinions such as the following. A document of the Nicaraguan Democratic Movement [MDN] published in a newspaper stated: In the domestic area, we find the statements of the director of state security, Mr Lenin Cerna -- they say Mister; Lenin Cerna is a commander, but the only commanders for them are what's his name, Commander Chamorro, Commander Romulo; we are just Mister -- head of that repressive body under the Interior Ministry who once again confuses the interests of the state with those of the ruling party by denouncing activities of counterrevolutionaries, lining them up with Nicaraguan political parties.

They criticize us for taking action against these counterrevolutionary activities. We have confirmed that all these counterrevolutionary activities are linked with members of these traditional parties. We have proven this and we will be presenting proof to the extent that it is necessary and opportune. We will show how these individuals are linked with some of the leaders of these dissident parties. We know this well. They have underestimated us. It is time that they knew what degree of development the Nicaraguan revolution and its defense bodies have achieved.

So, according to them, we practically don't have the right to denounce these crimes, the plan to blow up the refinery and the cement plant. In some way they try to justify such things. By the way, as it has been previously stated, the blowing up of the refinery would not have only caused economic problems to the country but the death of many Nicaraguan workers.

Anyone who has read the Santa Fe document which was written by a group of gentlemen of the CIA and of Mr Reagan, knows well that all the false charges against us about political pluralism, freedom of civil rights and all the counterrevolutionary activities that we have denounced and that we are going to denounce today fall within the CIA plan to destabilize the revolutionary process and to justify intervention in our country. CIA also seeks to get governments and personalities of this continent who are friends of Nicaragua and the revolution to break with us. That is why today we particularly alert the Venezuelan and Honduran Governments about the CIA manipulations against our country. The CIA has carried out recruitments in those governments and diplomatic missions to direct counter-revolutionary activities in Nicaragua.

How else can it be explained that some embassies and some officials of these embassies interfere in the domestic affairs of our countries -- and not only this, they also lead activities in our country. We would like to know what (Roger Gamble) was doing at the activity held at the cemetery. And what was (John Walter) of the Yankee embassy doing there? Why do they interfere in our country's affairs? Why do they have to be sponsors of the reactionary activities opposed to the revolutionary process in our country?

Now regarding the Venezuelan Embassy, regardless of what we will later make known which will involve more serious accusations, we have a long list of the activities of some people of the Venezuelan Embassy. I am going to summarize them by stating that some, not all, of the embassy personnel take to the embassy visitors of the people who have taken asylum there. They take the visitors there. Sometimes they are rude to the courteous policemen who are posted there.

Rafael Diaz Blanco, counselor of the Venezuelan Embassy, in the presence of a policeman who is here -- where is the companero policeman? What is your name? Companero (Jose Esteban Rios) -- on 4 January at 1400 aboard a microbus with license plate No CD 270 brought into the embassy Norman Valverde, one of those involved in the conspiratorial activity that we are going to denounce here. Another official of the Venezuelan Embassy personally brought into the embassy Claribel Salinas, involved in the case of [word indistinct].

We who are not very knowledgeable about international law would never think of using the Nicaraguan Embassy in any country of the world to undertake activities of that type. If we were to bring into the Nicaraguan Embassy in Venezuela the enemies of that country, the Venezuelans would be justified to make charges against us. [Words indistinct] in this conspiracy William Baltobano Herrera participated. He recently entered national territory. His activities will be explained very soon because he will be brought here so you can meet him and talk with him. Here is Companero Commander Lenin Cerna:

[Lenin Cerna] The counterrevolutionary group known as UDN-FAR [Nicaraguan Democratic Union-Revolutionary Armed Forces of Nicaragua] headed by the Chamorro Rappaccioli brothers, which moves about in the neighboring countries, in midyear of 1981 planned at the Salvadoran Consulate in Costa Rica a string of sabotage and other acts against the Nicaraguan revolution.

Others participating in the planning of these actions included Jose Anibal Palacios, attache of the Venezuelan Embassy in Nicaragua; Vicente Rappaccioli, a well-known reactionary; Edgar Escobar, commercial attache of the Venezuelan Embassy in Costa Rica; and William Baltodano Herrera, the group's chief of operations, who was going to be commander of the squad they assigned to carry out these activities.

The operations of this counterrevolutionary group included blowing up the petroleum refinery and the national cement plant, both key objectives for national reconstruction. Jose Anibal Palacios, along with Julio Gonzalez Ferron -- the industrialist who owns a sausage factory known as Copralin and who in practice is a special agent of the Venezuelan intelligence service -- and Pedro Sanchez Rivero were to be coordinators of these activities.

A much more interesting case is that of Gonzalez Ferron who stated himself that, without being an attache or anything of the kind, he undertook advisory missions to the Venezuelan Embassy according to his own statements. In addition to his statements, he was found to have false documents, seals of the Republic of Nicaragua for immigration use, passports and documents that helped him move about in his various coordination travels in the area.

Late in December, William Baltodano, known as Commander Romulo, entered national territory using a Honduran passport and other documents which accredited him as being a national of that country, Honduras, all of which had been supplied to him by an officer of the Honduran military intelligence service whose name, according to William Baltodano, was Alexander Hernandez and who had the rank of captain.

Julio Gonzalez Ferron, who is a Venezuelan citizen, served as liaison between the counter-revolutionary William Baltodano Herrera and Col Pedro Antonio Sanchez Rivera, Venezuelan military attache, and participated with them in meetings.

This organization has its main bases on Honduran territory and its members mobilize with impunity for their conspiratorial work. It has been established and proven that as a member of this organization and, either carrying out the orders of or accompanied by counterrevolutionaries Fernando and Edmundo Chamorro, the prisoner Baltodano Herrera made frequent trips to Venezuela, Honduras, El Salvador, Argentina and the United States, where he held meetings with civilian and military officials of those countries for the purpose of obtaining political and economic support as well as weapons and other materiel to employ against our people. He also met treacherous former Somozist guardsmen who are in Miami.

For his part, the subject Julio Gonzalez Ferron had lived in Nicaragua since 1976, when he established the sausage factory known as Copralin. He also worked at the office of the Venezuelan Embassy military attache as special agent of the Venezuelan military intelligence office, according to his own statement and also according to the identification card seized from him, which we will show you later. In his missions against Nicaragua, Gonzalez Ferron engaged in espionage activities using the information given to him by different persons, among them the brothers (Benito) and (Napoleon Valverde). The latter took asylum in the Venezuelan Embassy at the end of this [past] week.

Baltodano's statement also confirms the organization's structure and components, which included a political council whose members are Adriana Guilern and Jose Esteban Gonzalez, both well-known for their treacherous activities, who were charged with the propaganda and public relations of this group of Somozists, former guardsmen and reactionaries.

[Borge] As has been said here, Gonzalez Ferron was an agent of the Venezuelan military intelligence. We are also sure that even though he has that role, he is an agent of the CIA because the friendly government of Venezuela [words indistinct] logically commonsense tells us that since they are not agents of the Venezuelan Government, because Venezuela and its government maintain the best relations with Nicaragua, they must be agents of some other special body which we logically deduce to be the CIA.

Therefore, you will hear CIA agent Julio Gonzalez Ferron. We will show him on a video tape. We are not yet going to present him personally because we are still carrying out thorough investigations about this individual.

[Begin video cassette recording] [Question] State your first and last name.

[Answer] Julio Gonzalez Ferron.

[Question] When did you enter Nicaragua?

[Answer] Around (?May or June) 1976.

[Question] When did you enter the Venezuelan Military Intelligence Directorate [DIM]?

[Answer] In 1980.

[Question] [Words indistinct] of the DIM?

[Answer indistinct]

[Question] How long have you been carrying out [word indistinct] activities in Nicaragua?

[Answer] Since [words indistinct] 1981.

[Question] Tell us the (?names) of the individuals who carried out this activity with you in Nicaragua.

[Answer] There was someone here in charge who [words indistinct]. His name is Anibal Palacios. There was another one who [words indistinct] whose name is [name indistinct] (Romero).

[Question] Who was your immediate chief for these activities in Nicaragua?

[Answer] The immediate chief was the military attache.

[Question] His name?

[Answer indistinct]

[Question] What military rank does Mr Anibal Palacios have?

[Answer] As far as I know he doesn't have a military rank.

[Question] What posts do Anibal Jose Palacios, Pedro Sanchez and Edgard Escobar have?

[Answer] Mr Palacios is the second secretary of the embassy, Mr Escobar is one of the attaches of the Venezuelan Embassy in Costa Rica and Mr Sanchez is [word indistinct] of the military attache.

[Question] From whom and how did you receive orders to establish links with counter-revolutionaries in Nicaragua?

[Answer] Mr Palacios did so over the telephone. [end video tape recording]

[Borge] I am sure you are interested in personally meeting the so-called Commander Romulo, who entered our country with a Honduran passport given to him by Capt (Alexander Hernandez) of Honduran intelligence. We will now bring in William Baltodano.

[Cerna] William Baltodano: We want you to tell us, as clearly as possible, about your participation in the activity sponsored and [word indistinct] by the Chamorros since your departure from Nicaragua and the cement plant plan and your other activities.

[Baltodano] My name is William Baltodano Herrera. I am a civil engineering student specialized in demolition explosives. About 1 year after I arrived [in Nicaragua], Mr Edmundo Rappaccioli contacted me from abroad through Mr Vicente Rappaccioli in the city of Diriamba, [Nicaragua].

We then returned to San Jose, Costa Rica, where Edmundo Rappaccioli held secret meetings with members and leaders of Nicaraguan parties leaving the country. Generally, these meetings were held at the home of somebody they called Corporal (Zenteno) at a safe house Edmundo Chamorro used to have and in clandestine safe houses, as they called them. They usually, the Chamorros... [changes thought] also around this time, (Vicente Rappaccioli also left Nicaragua. He said he was going as a delegate of the internal parties to meetings with the UDN in Costa Rica. Generally, Wilfredo Montalvan, Alfonso Robelo and members of the Nicaraguan Conservative Democratic Party, I believe, departed from here for these meetings. On many occasions, Jose Esteban Gonzalez, who at the time was coordinator of human rights, or president, or something like that, often attended meetings, and this gentleman often entered and left San Jose for Nicaragua and traveled abroad, making contacts with political parties of other countries to channel economic, political and economic aid toward the UDN.

Later, he went to the Republic of Honduras, where Edmundo Chamorro had camps of former national guardsmen whose cultural level he was improving since, he explained, he was eliminating everything that smelled of national guardsman, which is impossible.

The camps they had near Tegucigalpa were protected by the Honduran Army. Some sectors of the Honduran Army knew about these camps and protected them. The commander of these camps was known (Dagoberto), his alias. His name was (Juan Bosco Arana). Another commander was only known to me as (Vikingo). He was Costa Rican. Another Costa Rican was also known as (Tupamaro).

We went to Buenos Aires, where we held a meeting with General Belui, the officer in charge of the General Staff of the Argentine Army; and his top aide, Col Mario Darrijo, who wanted to know the meaning of UDN, what political goal it was seeking and its purposes.

At our third meeting with these people, they handed over the amount of \$50,000, five stacks of \$100-bills; each stack had \$10,000. They gave it to us in a plastic bag. It was delivered by Col (Mario Vavico) who said: Gentlemen, this is the beginning, to get this thing going.

We passed through Caracas, and then Mr Edmundo Chamorro and myself and Mr (Orlando Bolanos) -- Negro Bolanos -- immediately went to Chile and Colombia. That is to say, it was necessary to open paths with the Chilean and Colombian Governments and he had the proper connections to do it. Later on, this man reported to Mr Chamorro and, according to him, things were positive and had to progress.

We returned to San Jose, Costa Rica. When we passed through Venezuela, Chamorro held meetings with Venezuelan Government officials, Venezuelan businessmen and Nicaraguan businessmen who were in Venezuela at the moment.

We went again to San Jose, Costa Rica, where he made other contacts. Two days after his arrival in San Jose, he met with Jose Esteban Gonzalez at the home of (Corporal Zenteno), where Jose Esteban Gonzalaz, (Corporal Zenteno), (Juan Sabala), Negro Chamorro and I held a meeting at which we discussed the results of what he had done abroad, which had been positive.

We immediately went to Tegucigalpa, Honduras, for the purpose of supplying food to the camps, because at that time they were in short supply, so we filled their needs with the money we took. While in Tegucigalpa, we were told it was necessary to go to Miami again and then to leave for Washington.

On arrival at Miami International Airport, a group of reporters and Miami television cameramen were there, and those of us who arrived were welcomed. Edmundo and Negro Chamorro and I were interviewed. We were asked about the activities in that country. Negro Chamorro replied that we were seeking the economic, moral and political aid of the U.S. Government and of anyone who wanted to help the UDN counterrevolutionary movement. Another goal we had was to purchase arms with the \$50,000 we had been given in Argentina. The welcoming party included the UDN superior council, those who were abroad, since those who were in Nicaragua were unknown. Even I did not know them, for security reasons, in case I were ever arrested and forced to talk about who they were.

At that moment, the members of the superior council who were present were (El Sapo Rivas); (Chicano Cardenal); (Max Vargas); Edgar Chamorro, the brother of the owner of the newspaper DIARIO LAS AMERICAS; an engineer named (Callejas) and a person who worked at the Ministry of Justice (Nevarado Arguello), who had already made compromising statements long before we arrived.

The following day, we scheduled a meeting at the home of (Max Vargas), where we would set up the work committee in Miami. This committee was to give tasks to each of the members present. The meeting was held and everyone learned what he had to do.

Then another meeting was held to appoint FARN's general staff. FARN means Nicaraguan Armed Revolutionary Forces. Logically, Negro Chamorro was elected commander in chief of FARN. He was followed in order by (Juan Savala) and I was third. We held another meeting at which each of us supplied our identification cards or licenses and bought a weapon for each person at each establishment. We bought hunting weapons, such as the AR-15, AR-18, Ingram submachineguns, G-4 shotguns and 12 .30-cal rifles.

Then at another meeting held at the home of David Statagen, it was decided that it was necessary to travel to Washington immediately. We went to Washington and stayed at a Holiday Inn outside Washington. While we were at this hotel, the Chamorros received a telephone call from the owner of the newspaper DIARIO LAS AMERICAS, who was the main liaison between General (Enders) and the Chamorros. The newspaper owner was in charge of making contact with the representatives of the UDN, that is, the Chamorro brothers.

Early the next day, they met after having received a call. And they met with that person -- I don't know where, since (Juan Savala) and I were left behind in the hotel and we did not have to know about this, they said, because it was at another level, at the superior council level. When they returned in the afternoon, they remarked that the meeting had been very fruitful, they had made positive plans and everything was progressing.

The following day, David Statagen and (Chicano Cardenal) arrived in the next room at the hotel where we were staying, and said that it was necessary that they hold a meeting with President Ronald Reagan's advisers. The day after that, the Chamorros, Statagen and (Cardenal) went out. As always, we remained behind, waiting. When they returned, they said, as usual, that the meeting had been magnificent. Mr Fernando Chamorro even said at the meeting we held at the hotel that he had never heard Edmundo Chamorro speak as well as he had spoken, and because of the conversation, the results had been fruitful.

We arrived in Miami and held another meeting at which Fernando Chamorro said that it was necessary for the people who had the most money in Miami to cooperate, if they were Nicaraguans. We scheduled another meeting with the people who were willing to buy the weapons and they did so. One by one, they bought arms at a Cuban man's shop. All the weapons were bought and taken to the home of (Max Vargas). They were properly packed and addressed: Tegucigalpa, Honduras, FUSEP. FUSEP stands for Special Security Forces. These weapons were shipped in the name of this military corps for reasons already agreed upon by the Honduran Army and the UDN.

We also traveled along with the weapons. We arrived at Toncontin Airport in Tegucigalpa, Honduras. The cargo was unloaded and set aside and an officer was in charge of receiving it. This officer had the weapons taken to FUSEP, where they were examined and later taken by a man named (Rodolfo), who was the main contact between the Army and the Chamorros of the UDN.

The radio station, the transmitting equipment, was also sent to Tegucigalpa, Honduras, earmarked for the FUSEP, (Casamata). (Casamata) is the place where FUSEP's office is located.

When we arrived in Tegucigalpa, we stayed at a safe house. We remained there until the next day, when the arms were again taken by (Rodolfo), who was charged with the purchase and the UDN's movements in Tegucigalpa. He brought them to FUSEP, for whom they were marked. They were put on a vehicle and taken to the camps, along with the supplies we had bought. When we arrived at the camps, we were welcomed by the personnel, most of them former members of the National Guard and the commanders, two Costa Ricans, (Vikingo) and (Tupamaro), and a young man [words indistinct] One camp was located on the road to Las Marros, between Danli and El Paraiso. From there we went to El Paraiso.

After being in the camps and in El Paraiso for a few days, we went to Tegucigalpa. When we arrived at the Juan Santamaria Airport in San Jose, the Chamorro brothers went to Venezuela and they told (Juan Savala) and myself that we had to remain in Costa Rica and see what we could do to try to set up camps in Costa Rica. So we stayed behind. When they returned, it had been decided--apparently they brought the idea from Venezuela, or from who knows where--that it was necessary to begin sabotage activities, attacks inside Nicaragua. So it began--no longer with Edmundo or Negro Chamorro, but through Vicente Rappaccioli, who was already charged with the activities that had to be staged in the country.

I then received a telephone call during which I was told that I had to go to the Salvadoran Consulate in San Jose, Costa Rica, immediately. I went to the consulate, which is located between Central Avenue and the Variedades theater. Vicente Rappaccioli, the Salvadoran military attache in San Jose, (Edgar Escobar Munoz) and Anibal Palacios were there. There it was said that it was necessary to carry out an activity already planned by the Chamorros--to conduct sabotage activities, first at the national cement factory, second, against the refinery, and third, to carry out personal attacks, mainly against Mrs Leticia Herrera.

This was agreed upon, And then this man...[changes thought]. This comes first: (Edgar Escobar) is the Venezuelan commercial attache in San Jose, Costa Rica. Anibal Palacios, according to him, was second secretary at the Venezuelan Embassy in Nicaragua. (Eduardo Avila) was the Salvadoran military attache in Costa Rica. It was said that I had to be the person to carry out an action of this kind, because I was a specialist in explosives and demolition. I accepted the responsibility because it was my duty, for I belonged to this organization. As you know, a military man cannot refuse an order.

Further plans were laid, refining details of the operation, at the home of Dr (Diego Manuel Robles). There, meetings were held among Dr (Mario Bonilla), a former military man called (Noemi Amador), a young man from the domestic front named (Marvin), Vicente Rappaccioli and myself. Before going to the home of Dr (Robles), while I was still at the Salvadoran Consulate in Costa Rica, telephone numbers for the Venezuelan attache in Nicaragua, Mr Julio Gonzalez Ferron, and for (Jose Sanchez Rivero), the Venezuelan military attache in Nicaragua were given out. Mr (Sanchez Rivero) and (Julio) were--according to (Palacios), (Escobar) and Don (Vicente)--the main directors and people who knew about the plan to sabotage the national cement factory. As I said previously, their telephone numbers were distributed and, upon my arrival in Nicaragua, they were to be my primary contacts.

After that, preliminary plans were made for my departure from Nicaragua and for (Marvin's) arrival in Nicaragua, because they said (Marvin) had to be there in order to initiate contacts with these gentlemen--I am referring to the Venezuelan attaches in Nicaragua.

First it was planned that I should leave through the area of Los Chiles, but it was later decided that this was impossible, since the area was very heavily guarded by the FSLN.

Vicente Rappaccioli sent me to Tegucigalpa and told me that on arrival, I was to communicate immediately with Capt (Alexander Hernandez), chief of the Honduran Army military intelligence and right arm to (Colonel Alvarez). When I arrived in Tegucigalpa, I entered with a Nicaraguan passport. While there, I was given a Salvadoran passport and documents in which my name was (Luis Alberto Merlo Matamoros). I was told that if these failed when I went from Nicaragua to Tegucigalpa, I would have to show this identification card, which documented me as a Honduran citizen, and I was told not to try to sabotage the refinery, that my most important job was the cement factory, because there was a specialized group in Tegucigalpa to take care of the refinery, a group that specialized in sabotage and that was much better trained than I. I took the documents--I was not able to get rid of them until later--and I went to Nicaragua via the Ticabus transport company. I entered through Guasaule.

I entered normally, without suspicion at the Immigration Department, I thought. Once in Nicaragua, I tried to contact Mr Julio Gonzalez Ferrono and Mr (Rivero) that same day, but I was unable to, since they did not answer their telephones.

The following day, 1 January, I made direct contact with Don (Julio), who asked me who I was. I told him that I had come from Costa Rica and that he already knew who I was.

That was how we talked. He even asked how the cement factory was to be sabotaged. I replied that he, as one of the directors, was supposed to know the plan. He replied that at the moment, because of a communications gap, he was slightly disoriented and he told me that I had to tell him about the instructions I had received -- for plans had already been supplied to Vicente Rappaccioli and he had given me detailed information. He told me that in the cement factory I was to destroy the two main furnaces, No 4 and No 5. So I told Don (Julio) the approximate amount of explosives I was to plant, depending upon the conditions at and distance from each furnace -- that is, the charge in relation to the objective.

Then we agreed that we were going to call one of the boys that the group had here in Nicaragua. We tried to locate this boy, (Barney), who was the contact with the men, most of whom were also former members of the basic infantry training school. We did not locate him at that time, but we did later. Then he called me and said: We cannot be wasting time here because we are going to blow it. So look for somewhere else to go; you cannot stay in our house because it is too dangerous. We have been checked and if you stay in our house, we are all going to be messed up. Then I was dropped off at the Riguero neighborhood. I unloaded my bag and they left.

Later I held a meeting with (Marvin). After I located him, we planned the action. Then I and another man I don't know, one of the people in the operation, asked to be taken to the place of operations, that is the cement factory. When we arrived, I analyzed the terrain, took measurements, mental photographs of the terrain's layout, the shape and other technical matters. After that, we returned to Managua and (Marvin) went to get the men he had ready for the action, and we got some of the materials. That day, we agreed to meet again the following day at 0800 at a home in Bello Horizonte. In the evening, (Marvin) was going to bring me the material that was going to be used. It was going to be 100-percent dynamite, clocks, electrical [words indistinct] for making a time bomb.

The following day, when I was on my way to the house in Bello Horizonte, when I was analyzing the dynamite, I entered another room where we were going to talk with the owner of the house; that was when I was arrested.

[Borge] These are the facts, the proof and the statements of some of those involved; others of those involved cannot come here because they are diplomats. I insist on this fact. In truth, we have been forced to report all this, despite the problems this causes. You are aware of the friendly relations the Nicaragua Government has with the Venezuelan Government and the very close relations that the Nicaraguan people have with the brave and noble people of Venezuela.

Just a few hours ago, Nicaraguan Foreign Minister Father Miguel d'Escoto met with Venezuelan President Herrera Campins to explain this whole plot and the involvement of some officials of the Venezuelan Embassy in our country. We do not know what the reaction of the Venezuelan president has been but we must suppose that it was a positive reaction, showing understanding of our decision to make public the activity of these individuals, who don't represent the Venezuelan Government and people. The Venezuelan people are friends of Nicaragua.

The Venezuelan Government has adopted a friendly position of solidarity with Nicaragua. Therefore, those individuals are neither friends of Nicaragua nor real representatives of the Venezuelan people. Who do they represent? We leave that to the imagination of others, but we are sure that they do not represent either the Venezuelan Government or people.

Therefore, we believe here that, first of all, these gentlemen must leave Nicaragua. It is elemental that the Venezuelan Government make the... [Borge changes thought] or that the Nicaraguan Government decide that these gentlemen cannot remain in Nicaragua and that the Venezuelan Government will not make any objection to this. We are sure that there will be an understanding attitude regarding these agents, infiltrated by the CIA because this cannot come from any other sector. Therefore, we reiterate here our confidence and friendship with the Venezuelan Government, our constant solidarity, sympathy and gratitude toward the Venezuelan people.

These are some of the aspects we wanted to point out regarding the plot. Perhaps there are some other things that we have decided not to release just yet because of the investigations underway. However, we want our enemies to know that we are constantly alert. They think we are asleep; that is not true. We always keep one eye open and one eye closed when resting. We are always vigilant and alert; all our people are vigilant and alert. Let those who underestimate us, who think we are underdeveloped, that we can't uncover plots, smash themselves. The gnashing of teeth will come later. We want to warn our enemies. Regardless of the strength of those who try to attack us, they should know, first of all, that we are alert and, secondly, that we are determined to defend our land at any cost. Thank you very much.

D'ESCOTO ENDS 'PRIVATE' VISIT TO VENEZUELA

PA132208 Paris AFP in Spanish 1938 GMT 13 Jan 82

[Text] Caracas, 13 Jan (AFP) -- Nicaraguan Foreign Minister Miguel d'Escoto returned to Nicaragua today after a 2-day visit to Venezuela. The visit was officially described as "private." Shortly before boarding the airplane, D'Escoto said that President Luis Herrera had again stressed Venezuela's commitment to continue its plans for cooperation with Nicaragua. The Nicaraguan foreign minister emphasized the two countries' "good relations."

Newspaper sources said that Foreign Minister d'Escoto arrived in Caracas unexpectedly, to personally explain to President Herrera the situation involving the Venezuelan diplomats in Nicaragua, after reports from Managua about an antigovernment international plot in which Venezuelan diplomats accredited in Managua were involved. The Foreign Ministry explained that no communique had been issued on D'Escoto's visit because of its "private" nature.

REPORT ON DEMONSTRATION IN FRONT OF LA PRENSA

PA142246 [Editorial Report] Managua Radio Sandino in Spanish at 2300 GMT on 14 January carries an account of the events at LA PRENSA's headquarters by an unidentified Radio Sandino reporter who was covering a march on the headquarters of the opposition newspaper staged by some 200 demonstrators. Recordings are interspersed throughout the station's coverage.

The report begins with a recording of an unidentified member of the Eastern Market Sandinist Defense Committee speaking in front of the offices of EL NUEVO DIARIO at approximately 2345 GMT. The speaker repudiates those, who according to him, are trying to destabilize the Nicaraguan economy. According to the reporter, the demonstrators then proceed to LA PRENSA's headquarters. He notes that the demonstrators were mostly female market vendors.

Then he plays a recording of an unidentified demonstrator who notes that they are demonstrating in front of LA PRENSA because the paper is indirectly causing deaths. The demonstrators are heard chanting various slogans.

The reporter notes the demonstrators progress as they approach the gates at the LA PRENSA installations: "The watchman, a fat guy with a bad temper who was carrying a .38-cal gun, got out a hose, like those used by firemen, and started spraying the companeras."

The reporter notes that he was interviewing one of the companeras a few minutes before the first shots were heard. He plays the recording of the shots and the shouts in the background. He notes that the watchman fired on the crowd after a group of youths began to hurl pineapples from a nearby truck over the high gate. Companero Leonel Fonseca, he further recalls, fell with the second shot. He goes on to report the arrival of an ambulance and the fact that the shots continued because the watchmen had positioned themselves behind the second gate and from there they fired with a shotgun.

By now, he says, "revolutionary rage overwhelmed our courageous people who started to throw stones to defend themselves." Meanwhile, he adds, some companeros of the reserves of the Sandinist People's Army [EPS] rode by in trucks. Apparently, he explains, they were returning from combat exercises. The crowd, by now some 500 people, demanded that the soldiers defend them from LA PRENSA. He says: "Therefore, the soldiers quickly positioned themselves in front of LA PRENSA and apparently the shooting stopped. The police arrived thus replacing the EPS companeros who carried out a task because they just happened to be passing by."

He further recounts that after 35 minutes, Commanders Lenin Cerna and Juan Jose Ubeda, of the State Security Office, arrived. He then plays a recording of a warning which Cerna issued to LA PRENSA. "We address the gentlemen of LA PRENSA. This is Commander Lenin Cerna. You have to turn over to us the watchman who fired at defenseless people here in the street. You have 3 minutes to do this; otherwise, we will occupy the installations and the appropriate fate will be suffered by the managers who do not turn them over."

Three minutes have passed, he says, and the commanders ordered the EPS companeros to open the gates. Several EPS companeros entered, he says, including Commander Walter Ferreti, director general of the Sandinist police who went to get the watchmen who fired on the people. The police surrounded the fence and then Cerna and Ferreti removed (Emilio Tomas Altamirano) and Felix Rodriguez.

The reporter plays a recording of a conversation between Mario Alfaro Alvarado, a LA PRENSA writer, and Commander Cerna. Cerna demands the names of the watchmen to which Alfaro Alvarado replies he doesn't know their names.

The reporter notes that by 0245 GMT the situation near LA PRENSA was the following according to a recorded interview with Commander Dora Maria Tellez, member of the FSLN National Secretariat. She says that "The building is being guarded by the police and Interior Ministry personnel." Tellez adds that the people and the government forces will remain on the scene all night until the government makes a decision.

The reporter says that three people have been wounded including Leonel Fonseca, a cameraman for the Sandinist television system, and (Ramon Hernandez), a market vendor.

In conclusion, the reporter notes that four individuals have been arrested, although the responsibility falls on LA PRENSA's managers because they did not come out and the police had to force the gates. The report, which was carried in two parts, ends at 0406 GMT.

LA PRENSA Closed

PA142346 Panama City ACAN in Spanish 2228 GMT 14 Jan 82

[Text] Managua, 14 Jan (ACAN-EFE) -- The directors of the newspaper LA PRENSA, of Managua, and Nicaraguan Interior Ministry authorities today, Thursday, agreed on suspending the newspaper's publication for a prudent length of time. This information was provided in a bulletin from the Interior Ministry. The bulletin notes that the decision was adopted after considering "the serious events" that took place on Wednesday in front of the installations of the opposition newspaper.

The official bulletin states that Luis Eduardo Nunez Guido is the watchman of LA PRENSA who fired several times and wounded Leonel Fonseca Fonseca, employee of the Sandinist television system, and Domingo Hernandez Rodriguez. Initially, the watchmen of the building used fire hoses "to repress the demonstrators from Managua's Eastern Market," the Interior Ministry bulletin states. The bulletin adds that when the demonstrators -- who were protesting what they believe is a rightist line in the newspaper -- begin throwing fruit at the watchmen, the watchmen grabbed their revolvers and fired. Juan Manuel Rojas, another LA PRENSA watchman, was identified as the one who fired into the air with his .12-gauge shotgun.

Commander Lenin Cerna, state security director, urged the owners of the newspaper -- who were not in the building at the time of the incident -- to open the main gate, an iron gate, and to turn over the watchmen who had been firing. After 3 minutes, which was the deadline given, the military authorities broke into the building and arrested 13 persons. The building is in northern Managua.

Three of the arrested persons have already been released. Other LA PRENSA workers will be released in the next few hours, except journalist Mario Alfaro Alvarado and Luis Eduardo Nunez Guido and Justo Pastor Altamirano Cisneros, the two watchmen.

It has been announced that the authorities have ordered the arrest of Juan Manuel Rojas, who fired from inside the building but was able to escape. All the information on the incident in front of LA PRENSA has been included in the restrictions stipulated by the provisional general law on the news media. As a result of this, no Nicaraguan news media source can provide any information on this without first confirming the report with official sources. LA PRENSA was temporarily closed on five occasions in 1981, when the Sandinist government considered certain articles appearing in the paper had violated the country's law.

Reports on Incident Restricted

PA141539 Managua Radio Sandino Network in Spanish 1200 GMT 14 Jan 82

[Text] The Interior Ministry News Media Bureau Directorate informs the country's media that reports related to the incidents at LA PRENSA are covered under Article 3, Paragraph K of the Provisional Media Law. Therefore, all such reports must be confirmed by the appropriate sources. [Signed] News Media Bureau Directorate

JUNTA ANNOUNCES GOVERNMENT CHANGES, APPOINTMENTS

PA142032 Managua Radio Sandino in Spanish 0300 GMT 14 Jan 82

[Communique issued by the Directorate of Dissemination and Press of the Junta of the Government of National Reconstruction on 13 January 1982 -- read by unidentified directorate official]

[Text] The Directorate of Dissemination and Press of the Junta of the Government of National Reconstruction announces to the Nicaraguan people that the Junta of the Government of National Reconstruction has approved the following changes and appointments in state organizations:

1. Has accepted the resignation of Companero Edgard Macias Gomez, the present deputy labor minister.
2. Has cancelled the appointment of Companero Miguel de Castilla Urbina as deputy education minister and appointed him director of the Nicaraguan Institute for Public Administration.
3. Has appointed Companero Alberto Gamez Ortega deputy justice minister.
4. Has appointed Jorge Jenkins Molieri director of the Nicaraguan Natural Resources and Environment Institute.
5. Has appointed Companera (Rosaura Jerez Henriquez) general director of the People's Commercial Corporation with the rank of deputy foreign trade minister.